

## Message Text

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INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07  
EA-07 FRB-03 INR-07 IO-13 NEA-10 NSAE-00 USIA-06  
OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 AGRE-00  
OMB-01 DODE-00 DOTE-00 FMC-01 SAL-01 CG-00 DLOS-06  
OES-06 PA-01 PRS-01 OIC-02 /102 W  
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R 091935Z DEC 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 4645

INFO ALL OECD CAPITALS 0653

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DEPT PASS MARAD, FMC

E.O. 11652: N/A

TAGS: ETRN, OECD

SUBJECT: WP6 OF COUNCIL ON SHIPBUILDING: EC PROPOSAL

REF: OECD PARIS 36225

FOLLOWING IS TEXT OF EC PROPOSAL ENTITLED "OECD ARRANGEMENT CONCERNING THE PREVENTION OF IMBALANCES IN THE REGIONAL DISTRIBUTION OF NEW ORDERS IN THE SHIPBUILDING SECTOR".

BEGIN TEXT -

1. THE PARTICIPATING GOVERNMENTS CONFIRM THEIR INTENTION TO IMPLEMENT A POLICY DESIGNED TO ACHIEVE AN EQUITABLE DISTRIBUTION OF NEW ORDERS PLACED IN THE COUNTRIES ADHERING TO THE "GENERAL GUIDELINES" DURING THE ACUTE STAGE OF THE CRISIS IN ORDER TO RETAIN THE POSSIBILITY OF ADAPTING PRODUCTION CAPACITIES IN AN EFFICIENT, ORDERLY AND EQUITABLE WAY TO FUTURE CONDITIONS ON THE SHIPBUILDING MARKET.

2. THEY THEREFORE ACKNOWLEDGE THAT THIS OBJECTIVE COULD BE ATTAINED IF THE REGIONAL DISTRIBUTION OF NEW

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ORDERS WERE TO FOLLOW PRODUCTION DISTRIBUTION DURING

RECENT YEARS.

3. IN VIEW OF THE FACT THAT THE VARIOUS PARTIES ARE FACED WITH PROBLEMS SIMILAR WITHIN EACH AREA, THIS OBJECTIVE COULD BE ATTAINED BY ASSESSING THE DISTRIBUTION BETWEEN THE TWO GEOGRAPHICAL AREAS REPRESENTED BY JAPAN ON THE ONE HAND AND THE COUNTRIES WHOSE INDUSTRIES BELONG TO THE AWES ON THE OTHER.

4. AS REGARDS THE PRODUCTION DISTRIBUTION MENTIONED IN PARA 2, THE PARTICIPANTS NOTE THAT THE PROPORTIONS RECORDED IN CGRT, FOR THOSE TWO AREAS ARE PRACTICALLY THE SAME AND THAT EQUITY COULD THEREFORE BE ACHIEVED BY AN EQUAL DISTRIBUTION OF THE ORDERS ON THE SAME BASIS (USING FOR THE TIME BEING, THE COEFFICIENTS CURRENTLY IN USE IN THE OECD) PLACED DURING THE PERIOD OF VALIDITY OF THIS ARRANGEMENT.

5. THE PARTIES THEREFORE UNDERTAKE TO DO EVERYTHING WITHIN THEIR POWER TO ENSURE THAT THE INDUSTRIES IN THEIR RESPECTIVE AREAS ADHERE TO THE OBJECTIVE IN QUESTION. TO THIS END THEY ACKNOWLEDGE THE NEED FOR COOPERATION BETWEEN THE AWES AND THE JAPANESE ASSOCIATIONS, IN THE ACHIEVEMENT OF CERTAIN ASPECTS OF THIS ARRANGEMENT WITHIN THE LIMITATIONS IMPOSED BY THE RULES OF COMPETITION.

6. THE ACHIEVEMENT OF THESE OBJECTIVES REQUIRES THE RAPID AND ADEQUATE MUTUAL EXCHANGE OF INFORMATION ON THE TREND IN THE PLACING OF NEW ORDERS. THE PARTIES THEREFORE AGREE TO ADAPT THE INFORMATION SYSTEM ON NEW ORDERS INTRODUCED EARLIER WITHIN THE FRAMEWORK OF THE APPLICATION OF THE "GENERAL GUIDELINES".

7. EACH PARTY TO THE ARRANGEMENT UNDERTAKES TO SUBMIT MONTHLY TO THE SECRETARIAT OF THE OECD LISTS OF THE NEW ORDERS RECORDED BY ITS SHIPBUILDING INDUSTRY FOR COMMERCIAL SEAGOING VESSELS OF 100 GRT OR MORE, GIVING THE FOLLOWING DETAILS:

- COUNTRY OF CONSTRUCTION
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- CATEGORY OF VESSEL
- INFORMATION IN THE CASE OF EACH CATEGORY OF TONNAGE ON: THE DEAD WEIGHT, GROSS REGISTER TONNAGE AND COMPENSATED GROSS REGISTER TONNAGE, (USING, RATES TO BE ESTABLISHED IN OECD FRAME)
- YEAR OF DELIVERY
- COUNTRY OF REGISTRATION OR, FAILING THIS, COUNTRY PLACING THE ORDER.

THIS COMMUNICATION SHALL BE MADE ULTIMATELY ON THE  
20TH OF THE MONTH FOLLOWING THE ONE TO WHICH THE LIST  
REFERS.

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OMB-01 DODE-00 DOTE-00 FMC-01 SAL-01 CG-00 DLOS-06  
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8. THE PARTIES ALSO UNDERTAKE TO INDICATE - WITH THE  
SAME DETAILS - THE VOLUME OF ORDERS CANCELLED AND,  
WHERE APPROPRIATE, THE NUMBER OF ORDERS PLACED BY THE  
SAME CONTRACTOR TO COMPENSATE FOR SUCH CANCELLATIONS.

9. IN THE LIGHT OF THIS INFORMATION, THE RESPECTIVE  
PARTIES BELONGING TO EACH OF THE AREAS UNDERTAKE TO  
MAKE A MONTHLY COMPARISON FOR THEIR  
AREA OF THE VOLUME OF ORDERS PLACED WITH ITS INDUSTRY  
DURING THE PREVIOUS TWELVE MONTHS AND THE TOTAL VOLUME  
OF ORDERS PLACED WITHIN BOTH AREAS. IF IT BECOMES  
CLEAR THAT THE BALANCE DEFINED IN POINT 4 ABOVE HAS NOT  
BEEN ACHIEVED, THE PARTIES BELONGING TO THE AREA  
WHERE ORDERS EXCEED THEIR PROPORTION UNDERTAKE TO DO  
EVERYTHING WITHIN THEIR POWER TO RESTORE THAT BALANCE  
AND TO INFORM THE OTHER PARTIES OF THE MEASURES ADOPTED.

10. THE PARTIES AGREE TO CARRY OUT A QUARTERLY JOINT EXAMINATION TO ENSURE THAT THE PRINCIPLES SET OUT ABOVE HAVE BEEN APPLIED. WITHIN THIS CONTEXT AN ASSESSMENT COULD BE MADE OF THE EFFECT ON THE BALANCE IN QUESTION OF CANCELLATIONS AND SUBSTITUTIONS IN ORDERS. HOWEVER, LIMITED OFFICIAL USE

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IF A PARTY CONSIDERS THAT ITS INDUSTRY HAS SEVERELY SUFFERED BECAUSE OF THE NON-OBSERVANCE OF THE ABOVE-MENTIONED PRINCIPLES, IT IS ENTITLED TO REQUEST THAT A SESSION OF A SPECIAL AD HOC WORKING GROUP BE CONVENED WITHIN A FORTHNIGHT. THIS WORKING GROUP WILL INVESTIGATE THE COMPLAINT AND THE POSSIBLE CONDITIONS WHICH WILL ENABLE THE BALANCE TO BE RESTORED.

11. THIS ARRANGEMENT SHALL ENTER INTO FORCE ON 1 JANUARY 1977 AND, IN THE ABSENCE OF A UNANIMOUS DECISION TO THE CONTRARY, IT SHALL REMAIN IN FORCE FOR ALL ORDERS PLACED UP TO 31 DECEMBER 1978. FOR THE APPLICATION OF PARA 9 THE PARTIES AGREE THAT THE MONTHLY LISTS TO BE COMMUNICATED IN THE COURSE OF 1977 WILL INCLUDE ALSO THE CORRESPONDING LISTS FOR THE PERIOD OF THE YEAR 1976 REQUIRED BY THE SAME PARAGRAPH. END TEXT.  
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## Message Attributes

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